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TRADE AND DEVELOPMENT BOARD
COMMISSION ON INVESTMENT, TECHNOLOGY
AND RELATED FINANCIAL ISSUES
Intergovernmental Working Group
of Experts on International Standards
of Accounting and Reporting
Fifteenth session
Geneva, 11 February 1998
Item 2 of the provisional agenda

PROVISIONAL AGENDA AND ANNOTATIONS

I. PROVISIONAL AGENDA

1. Election of officers

2. Adoption of the agenda and organization of work

3. Environmental accounting:

   (a) Examination of national standards and regulations for environmental financial accounting

   (b) Identification of key environmental performance indicators and their relation to financial performance.

4. Other business

5. Provisional agenda for the sixteenth session of the Working Group

6. Adoption of the report of the Working Group on its fifteenth session.

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II. ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1 - Election of officers

1. It is recommended that the Intergovernmental Working Group of Experts elect a Chairperson and a Vice-Chairperson-cum-Rapporteur.

Item 2 - Adoption of the agenda and organization of work

2. The provisional agenda for the fifteenth session is contained in section I above. The main item was approved at the second session of the Commission on Investment, Technology and Related Financial Matters (TD/B/COM.2/7).

3. Concerning the organization of the work of the session, the Group has three working days available. It is therefore suggested that the first plenary meeting on 11 February be devoted to procedural matters (items 1 and 2) and the introduction of item 3(a). Subsequent meetings will be devoted to a detailed discussion of items 3(a) and 3(b), followed by consideration of items 4 and 5. The last plenary meeting on the afternoon of Friday, 13 February, would be devoted to item 6, i.e. adoption of the report, which will be submitted to the Commission at its third session.

4. The secretariat will prepare a tentative sequence of issues to be dealt with by the meeting, which will be available on the first day.

Documentation

TD/B/COM.2/ISAR/1	Provisional agenda and annotations

Item 3 - Environmental accounting

(a) Examination of national standards and regulations for environmental financial accounting

5. The principal conclusion that emerged from the Group's discussion at its thirteenth session was that it was important to create guidelines and/or develop a basic framework for environmental accounting. Without the prompt development of this framework as guidance to member States, the latter would subsequently find themselves in the position of having to reconcile their independent standards and procedures with those of other member States. The Group concluded that, during its fifteenth session, it would consider a report on a conceptual framework for environmental accounting.

6. During the fourteenth session, the Group also decided that it would like to review the collected guidance on the main issues in environmental financial accounting. During the course of 1996 and 1997, the UNCTAD secretariat reviewed national accounting standards, regulations and guidance on accounting and reporting for environmental costs and liabilities. Chapter I of the secretariat's report on this item, entitled "Environmental financial accounting and reporting at the corporate level" (TD/B/COM.2/ISAR/2) is a synthesis of best practices which emerged from the review. The review is contained in the background paper,

"Accounting and reporting for environmental liabilities and costs within the existing financial reporting framework" (UNCTAD/ITE/EDS/Misc.8), which will be made available at the meeting.

(b) Identification of key environmental performance indicators and their relation to financial performance

7. During the fourteenth session, the Group further specified that it wanted to go beyond the conventional accounting model and identify key environmental performance indicators and examine their relation to financial performance. The main results and conclusions of the analysis carried out by the UNCTAD secretariat in this respect are summarized in chapter II of the secretariat's report. The complete analysis is contained in the background paper "Linking environmental and financial performance: a survey of best practice technologies" (UNCTAD/ITE/EDS/Misc.9), which will be made available at the meeting. After the presentation and discussion of this research, there will be a slide presentation on the continuation of this work.

Documentation

TD/B/COM.2/ISAR/2	"Environmental Financial Accounting and Reporting at the Corporate Level: report by the UNCTAD secretariat"

Item 4 - Other business

8. Under this item, a number of diverse topics can be raised, either of a substantive nature or of a follow-up nature in connection with the ongoing activities of the Working Group and other international organizations. For example, further to its discussions at its thirteenth session, the Group may wish to return to the question of the implications of the accounting standards work performed by the International Organization of Securities Commissions and the International Accounting Standards Committee.

Item 5 - Provisional agenda for the sixteenth session of the Working Group

9. A draft provisional agenda for the sixteenth session will be presented to the Working Group in the light of the deliberations of the fifteenth session, as well as previous sessions.

Item 6 - Adoption of the report of the Working Group on its fifteenth session

10. The Working Group may wish to adopt recommendations or agreed conclusions, as it deems appropriate. The Chairperson may wish to produce a chairperson's summary. The final report will be compiled under the authority of the Chairperson after the conclusion of the session. It will be submitted to the Commission on Investment, Technology and Related Financial Issues at its third session.